

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, *et al.*, :
: **Case No. 18-23538 (RDD)**
: **(Jointly Administered)**
Debtors.¹ :
-----X

AFFIDAVIT AND DISCLOSURE STATEMENT OF Fred O. Marcus,

ON BEHALF OF Horwood, Marcus & Berk Chartered

STATE OF Illinois)
) E.I.N.: 36-3302504
COUNTY OF Cook)

Fred O. Marcus, being duly sworn, upon his oath, deposes and says as follows:

1. I am a Principal of Horwood, Marcus & Berk Chartered, located at 500 West Madison St., Suite 3700, Chicago, Illinois 60661 (the "**Firm**").

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services (the “Services”).

3. The Services include, but are not limited to, the following: legal services related to state and local tax audits, assessments, appeals, hearings, administrative conferences, administrative proceedings, planning, protests, litigation and all ancillary related activity in support and defense of tax returns positions, filings, or in anticipation of tax returns to be filed.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In addition, the Firm does not have any relationship with any such person, such person’s attorneys, or such person’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.


5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

6. Neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

7. As of the commencement of this chapter 11 case, the Debtors owed the Firm \$ 9,866.50 in respect of prepetition services rendered to the Debtors.

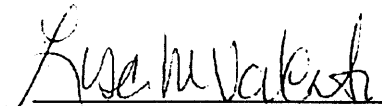
8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on November 20, 2018, at 2:30pm.

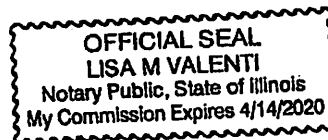


Affiant Name: Fred O. Marcus

SWORN TO AND SUBSCRIBED before
Me this 20th day of November, 2018



Notary Public



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, *et al.*, :
: **Case No. 18-23538 (RDD)**
: **(Jointly Administered)**
Debtors.¹ :
-----X

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”).

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional:

Fred O. Marcus

Horwood Marcus & Berk, 500 West Madison St. Suite 3700

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Chicago, Illinois 60661

2. Date of retention: Prior to October, 1992 JS
~~October 15, 2018~~

3. Type of services to be provided:

Legal services.

4. Brief description of services to be provided:

Legal services related to state and local tax audits, assessments, appeals, hearings, administrative conferences, administrative proceedings, planning, protests, litigation and all ancillary related activity in support and defense of tax return positions, filings, or in anticipation of tax returns to be filed.

5. Arrangements for compensation (hourly, contingent, etc.):

Hourly fees plus filing costs and related expenses.

(a) Average hourly rate (if applicable): \$477.00

(b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition):

\$5,214.09

6. Prepetition claims against the Debtors held by the company:

Amount of claim: \$ 9,866.50

Date claim arose: January 1, 2018 to October 14, 2018

Nature of claim: unpaid invoices for legal services rendered.

7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company:

Name: None

Status: _____

Amount of claim: \$ _____

Date claim arose: _____

Nature of claim: _____

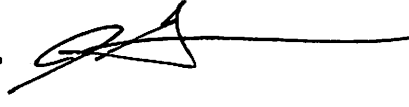
8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed:

None

9. Name and title of individual completing this form:

Terri Searle, Paralegal

Dated: November 20, 2018

Additions by John Guzzardo, Esq. 
December 27, 2018